

Information collection and assessment of international donor activities in Ukraine and Poland 1990-2000

Report

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2. EXECUTIVE SUMMARY

Background

Local government reform is intrinsic to the democratic transformation at work in Ukraine and Poland; when local governments function well the entire state benefits. Committed to democratic reform, both countries have worked together with the EU in order to create documents leading to EU alignment. In Poland, the *Accession Partnership Agreement (APA)* defines the requirements for EU accession; in Ukraine, the *Partnership and Cooperation Agreement (PCA)* outlines a framework for a political relationship.

The international donor community, through its programs of technical assistance (TA), has played a critical role in the realization of local government reform. Yet, their activities in Ukraine and Poland are executed very differently. Through comparing these two distinct systems of TA implementation it becomes clear that the Polish framework, designed in order to attain member state status, has produced good and sustainable results. On the other hand, the ad hoc, non-systemic assistance in Ukraine has resulted in a considerably slower transformation in every way, including in the local government sector. Further, assessment of the effectiveness of program and project design, by the four criteria delineated in the World Bank's *Comprehensive Development Framework* ([CDF] long-term, holistic vision; country ownership; partnership; achieving concrete development results that are linked to the country's vision) discloses similar results. The criteria are implemented to good success in Poland and neglected at peril, in Ukraine.

Methodology

The methodology for this research is comparative, on the premise that the juxtaposition of the two systems would highlight areas of similarity and difference, leading to productive policy recommendations for local government transformation. To that end, a database was created of donor project activities, in the sphere of local government reform in Poland and Ukraine. International and bilateral donors were consulted about their activities in the countries since independence. As well, donor country strategies

were assessed against the *CDF* criteria and against whether or not national strategies and individual projects were created in the framework of the *PCA* or the *APA*.

Analysis

Based on the information compiled in the database, analysis revealed the need for a systemic, targeted national paradigm for technical assistance in Ukraine. Purposeful development of democratic institutions does not occur with ad hoc programming. Poland's successful local government transformation, begun with the passing of the Local Government Act in March 1990 and local elections in May 1990, has been consistently supported with long-term, strategic projects realized in the framework of the *APA* and fulfilling the identified needs for EU accession. Ukraine's first projects began in 1996 and lack the geographic coverage, number and coordinated focus of their Polish counterparts, and without exception neglect to use the *PCA* as a framework to coordinate results that would target EU alignment.¹

Conclusions

The result of the two approaches is seen in the health of local government reform in the two countries. Poland's system, while not perfect, is functioning and steadily achieves the *APA* criteria that bring the country closer to EU membership. Ukraine's local government environment reflects the partial reforms that have been, in some spheres, successfully implemented in cities and villages. Elsewhere they have failed due to neglecting the need for developing democratic interaction between central government representatives, who still possess executive decision-making authority, and the newly elected local government bodies. This oversight did not occur in Poland because TA supports and fulfils the requirements of the *APA* and therefore has effected a comprehensive and collaborative transformation of the government at all levels. Our research concludes that until Ukraine's TA programming works in consonance with achieving EU alignment, as outlined in the *PCA*, the non-systemic, non-targeted situation will continue to undercut the effectiveness of the democratic reform.

Recommendations

In view of the above, we divide our policy recommendations into those relevant to the Government of Ukraine and those for the donors. We advise the Government to develop the *PCA* as a technical system and strategic framework for democratic reform.

¹ Of those project specifying a start date.

Further, we identify the need to design and coordinate all local government projects under the framework of the *PCA* and the *European Charter on Local Self Government* (ratified by Ukraine in 1996). All subsequent recommendations stem from those two primary needs. Regarding donors, we recommend that programs and projects must target and facilitate the implementation of the *PCA* and that project design must include the effectiveness criteria of the World Bank's *CDF*. As well, the activities discovered in Poland's projects—development of manuals, skills-based training and twinning—must be included in Ukraine's projects. Further recommendations are predicated upon these factors and reflect the working system disclosed in Poland's paradigm.

3. BACKGROUND

In 1991 Ukraine became independent and the prospect of its future success seemed obvious; the famous Deutsche Bank forecast predicted rapid economic growth. Today, however, another respected institution, Freedom House, evaluates the reforms in Ukraine and other countries of the former Soviet Union as in a downward spiral. These nations are underachieving in every significant variable and as a result Freedom House forecasts the creation of a “Schengen Curtain” that will make concrete this growing division between the European Union candidate and non-candidate countries (Box 1). The causes identified in the report to account for this negative progress are typically historic, cultural and a lack of political will. The recommendations made to rectify the situation fit the assessment and locate reform growth in such transformations as crises, charismatic leaders and civil disobedience.²

Box 1: Freedom House Identifies a Growing Divide

The survey trends confirm a growing divide that threatens a new demarcation line in Europe and Eurasia. That new line is emerging between the former socialist countries of Central and Eastern Europe and the republics that were an integral part of the Soviet Union from its inception. *Other basic indicators suggest that the differences between the CEE countries and the 12 non-Baltic republics of the former USSR are striking.* Ten of the 15 CEE countries are consolidated democracies. All of the remaining states in the region except Macedonia, which has progressed modestly, have seen significant improvements of more than .25 in their average democratization scores over a five-year period. Just as important, no CEE country is a consolidated autocracy. Meanwhile, none of the 12 non-Baltic former Soviet republics is a consolidated democracy, and only Georgia and Tajikistan have registered significant progress since the survey was launched in 1997. *Five of the 12 states—Belarus, Ukraine, Russia, Kazakhstan, and Kyrgyzstan—have regressed significantly over the last five years in their democratization ratings and indicators.* The remaining five—Armenia, Azerbaijan, Moldova, Turkmenistan, and Uzbekistan—have registered something akin to stasis.

Source: Freedom House, *Nations in Transit 2001*, p. 15, our emphasis.

In contrast with this bleak scenario locating the lack of reform entirely on the side of Ukraine, our experience in policy work leads us to suggest that the donor is also a

² Freedom House, *Nations in Transit 2001*, p. 42 ff.

significant variable in the reform process and ought to be included in any assessment of its effectiveness. To test this assumption we have undertaken a comparative analysis of the strategic nature of technical assistance in two different systems, based on the examples of Poland and Ukraine. The main objective of this research is to provide analysis of these systems in the framework of local government initiatives, as they seek to support democracy and market economy. This work explores both the areas of consistency and differences, in the hopes that such juxtaposition will illuminate better and more productive paradigms of technical assistance, that are structured to achieve the priorities delineated by the respective country of origin.

Establishing the Benchmarks: current perspectives on technical assistance

International donors have spent considerable intellectual and financial resources on defining the criteria that pinpoint effective technical assistance. And for good reason; developed nations spend globally about fifteen billion dollars a year on technical assistance and it is in everyone's best interest that this sum of money is spent efficiently and effectively.³ Most recently, the World Bank Organization has published, and successfully implemented in twelve pilot projects and elsewhere, the *Comprehensive Development Framework (CDF)*. This framework has met with extensive success; countries are utilizing the *CDF* as a basis for their own development strategies. Canada's *Strengthening Aid Effectiveness: New Approaches to Canada's International Assistance Program* is but one example of this type of dialogue with the World Bank's report.

To work effectively, the *CDF* requires that recipient countries generate a comprehensive country strategy into which framework all donor projects and activities will fit. This ensures that technical assistance will address the greatest needs, reduce duplication and increase communication and collaboration between all stakeholders. To produce such a document challenges the developing country to think strategically about:

- the sequencing of policies, programs and projects;
- the pacing of reforms;
- the balance between sectors;
- the alignment of stakeholders;

³ Herfkens, Eveline, "Can we do the Right things? The future of technical assistance and capacity building," *Development Outreach*, Fall 2001, World Bank Institute, p. 30.

- the more efficient use of available TA resources.

In this context, *CDF* embodies four principles:

1. **A long-term, holistic vision** that addresses a country's development priorities in appropriate, consistent manner that is balanced and non-discrete (linked);
2. **Country ownership, with the country owning and directing the development agenda** through building consensus between the government, civil society and private sectors as all stakeholders have their say in setting the agenda;
3. **Establishing a strong partnership among the Government, civil society, private sector, donors, international agencies and other actors** that creates a single framework aligning actions to the national strategy and supports the country's lead in managing aid coordination;
4. **Achieving concrete development results that are linked to the overall aims of the country's stated vision**, with a key aim being poverty reduction and others guided by *International Development Goals* as generated by UN agreements during the 1990s.

For a framework like the *CDF* to work, the concept of partnership between donors and developing countries must be fleshed out in concrete, observable documents and actions. Simple assertion is not enough; convincing evidence of partnership-in-action needs to be actualized. *CDF* brings the actors together with the preliminary task of asking the developing country what it perceives its own needs to be. Partnership is dialogic, collaborative, enabling; putting the recipient first is a strong step towards establishing the parameters in which partnership will emerge. This, in turn, leads to the need for clear and non-ambiguous links between the country's stated strategy and the activities pursued, supported and implemented by the international donor community. When the donor community shapes its technical assistance in consonance with the country strategy, then there is good reason to expect that positive, concrete results will ensue.

The question is, therefore, how does the past ten years of technical assistance programming in Ukraine and Poland rate against the criteria outlined in the *CDF*? This research proposes to provide an answer to this question, in the sector of local government reforms.

Defining the Environment of Technical Assistance in Ukraine: 1991 - 2001

For ten years technical assistance in Ukraine has gone forward on an essentially ad hoc, spontaneous basis. The lack of a comprehensive and unified strategy has created a technical assistance environment that is predominantly:

- Non-coordinated;
- Non-structured;
- Non-targeted;
- Non-monitored; and
- Non-collaborative.

Yet, in spite of these gaps, international donors have provided significant financial support for reforms in Ukraine through technical assistance, as a survey of the last few years reveals (Table 1).

Table 1. Volumes of international TA to Ukraine from major donors in 1999–2001, millions USD

Country/Organization	1999	2000	2001 (forecast)
USA	195.0	195.0	210.0
EU (TACIS)	93.6	88.7	88.9
EBRD	55.45	60.0	90.0
Britain	15.1	15.1	15.1
Canada	13.8	13.8	13.8
Germany	9.62	9.62	9.6
Netherlands	8.05	8.05	11.0
IBRD	6.6	7.3	6.6
UNDP	3.5	3.5	3.5
Sweden	2.88	4.25	3.4
Switzerland	1.9	1.9	2.7
Japan	1.5	6.4	6.4
Total	407.0	413.62	461.0

Source: ICPS, "Research Report for the Administration of the President of Ukraine," May 2001, p. 4.

Aid has been allocated with the intention of promoting the development and sustainability of democracy and market economy. Yet, aid implementation typically reflects the priorities of the donors and their available resources; this does not necessarily align with what is required to meet the stated objectives in Ukraine. Further

exacerbating the problem is the fact that receiving western aid was a new phenomenon for Ukraine; the necessary government and civil structures were not in place that could ensure the aid fit the desired end. Therefore, aid did not come to a prepared, dialogic environment. Even today the Government of Ukraine does not create an over-arching national strategy or program to structure technical assistance; in fact, the Government has not received any international support to enable the production of such a document. As well, Ukraine still does not have a normative-legal basis for international TA programs or for substantial monitoring of TA activities and results.⁴ These factors combine to create a situation that makes it virtually impossible for TA in Ukraine to achieve the results that both the people of Ukraine and the international community want.

In addition to the above problems, the *Partnership and Cooperation Agreement (PCA)* between the EU and Ukraine, the document that must be systematically implemented as a prior condition for further development of Ukraine's European potential, does not have a voice in the development of technical assistance in Ukraine. Yet, the reform aims of the *PCA*, according to Article 1, are:

- To provide a framework for a political dialogue (Title II);
- To promote trade, investment, economic relations and development (Titles III to VI);
- To provide a basis for economic, social, financial, civil, scientific, technological and cultural cooperation (Titles VII to IX);
- To support the consolidation of democracy, the development of the economy and complete its transition to a market economy.

The actualization of these aims is not realized in any document, aid design criteria or effectiveness program. Further, there is no explicit national or donor policy program enabling the achievement of this framework. As a result, Ukraine's progress towards realizing the conditions of the *PCA* is not systematic or targeted and therefore haphazard and ineffective. The *PCA* functions more as a diplomatic document than a technical strategy enabling Ukraine's transformation process.

In May 1999 a new mechanism, *The Common Strategy*, was created and adopted in December. The aim of this document was to:

⁴ At present a new regulation is being drafted by the Ministry of Economy.

- Support the democratic and economic transition process in Ukraine;
- To provide a means to discuss challenges common to Europe (security, environmental protection, energy and nuclear safety);
- To provide a means for cooperation concerning EU enlargement through supporting Ukraine's alignment with European standards in economy, justice and internal affairs.

To achieve the aims of either the *PCA* or the *Common Strategy* requires collaboration between Ukraine and the EU on agreed-upon policies and actions, in order to facilitate Ukraine's participation in major global institutions such as the WTO. In spite of the creation of new documents and agreements, the causal problem of non-strategic implementation continues unabated and unaddressed.

Yet, without a national strategy or a specifically stated intention in the *PCA* or the *Common Strategy* that would govern the design and implementation of technical assistance in Ukraine, it is difficult to provide benchmarks against which project implementation, outputs and outcomes can be measured. This lack of criteria effectively disables technical assistance from achieving sustainable results. Further, because there is no monitoring procedure tracking responsibility for the results of assistance, Ukraine has an implementation environment that most closely resembles a charity-based paradigm. All of these deficiencies lead to a feeling that technical assistance fails in Ukraine and this failure tends to be identified, as Ukraine's lack of political will to reform. More likely, the lack of technical assistance planning and policy development is the cause of these unsatisfactory results. Consistent application of the principles of the World Bank's *CDF* criteria would do much to turn this situation around.

Defining the Environment of Technical Assistance in Poland: 1991 – 2001

In stark contrast with Ukraine's technical assistance environment is the situation in Poland. Because Poland is an EU candidate country it has access to a host of possibilities that do not exist in Ukraine. The first and most important difference lies in Poland's arrangement with the EU, the *Accession Partnership Agreement*. The introduction to the 1999 update of this document states: "the European Council decided that the Accession Partnership *would be the key feature of the enhanced pre-accession*

strategy, mobilizing all forms of assistance to the candidate countries within a single framework. In this manner, the EU targets its assistance towards the specific needs of each candidate so as to provide support for overcoming particular problems in view of accession.”⁵ This document, therefore, plays a critical role in both defining areas of need and designing solutions to meet those needs.

A central commitment for Poland is the implementation of the *Acquis communautaire* in order to achieve EU status. The adaptation of Polish law to the principles of the EU’s legislation ensures that democratic principles are enshrined in Polish legislation. The EU established a three-phase process for this implementation and placed upon Poland an obligation to draw up a timetable of the necessary legislative work. The achievement of this timeline is monitored in the *Regular Report[s] on Poland’s Progress Towards Accession*, under the heading, “Ability to assume the obligations of membership.” This section is structured by analysis of Poland’s implementation of each chapter of the *acquis*. Poland is assisted in this process by technical assistance that works within this framework.

Therefore, technical assistance in Poland fits into a pre-defined system and is targeted to achieve the aim of EU membership, administered through instruments such as the EU’s PHARE program. Governed by the *Copenhagen Criteria*, democratic and market economy values are concretely institutionalized through projects that produce tangible outputs measured against clearly stated benchmarks. As a candidate country, Poland is required to adopt EU institutional standards and develop the necessary infrastructures. Poland’s government, civil society and private sector, for EU membership to occur, must implement these technical expectations. To that end, through documents like the national strategy for integration or the numerous position papers written in collaboration with EU experts, Poland moves forward in a structured, timetabled strategy towards EU accession, with donor funding that supports and enables this work.

⁵ Poland: 1999 *Accession Partnership Agreement*, p. 2, our emphasis.

4. LOCAL GOVERNMENT IN UKRAINE

Background

What then are the main consequences of these two different TA environments on the reforms needed in the sector of local government and the decentralization process? It is first necessary to understand the situation and main problems that local government faces in today's Ukraine.

In terms of the legal background, the authority for local government in Ukraine derives in Article 7 of the *Constitution* (adopted by the Verkhovna Rada 28 June 1996), stating: "Local government is recognized and guaranteed in Ukraine." Section XI of the *Constitution* is devoted specifically to the organization of local government; it is one of the most important elements in Ukraine's system of public administration.

History

The reform of local government began in Ukraine on 7 December 1990, which was proclaimed the date of local government revival after a totalitarian regime that rejected all forms of self-government. The term *local government* was first introduced with the adoption, on this day, of the Law "On Local Councils of People's Deputies of URSR and Local Government" by the Verkhovna Rada of the Ukrainian SSR. Since gaining independence, Ukraine's local government system has been reformed several times. The key element of these changes, besides those embodied in the *Constitution*, was the adoption of the Law "On Local Government in Ukraine" (21 May 1997). According to this Law, local government is guaranteed by the state as a right and real capacity for a territorial community. Residents of a village, or a voluntary association of residents of several villages combining into one community, or residents of a settlement, or of a city now have a right to independently resolve issues of local character within the limits of the *Constitution* and the laws of Ukraine (Article 2). This Law defines the local government system and guarantees the principles of organization and activities, legal status and responsibilities of local government bodies and officials. It also makes provision for resources for their functions.

Structure

In Ukraine, local government authorities exist in the following levels: village (and settlement), municipal, rayon, and oblast. Special laws of Ukraine determine the particular aspects of local government for the cities of Kyiv and Sevastopol.⁶ Along with local government, the local state bodies (rayon and oblast state administrations) also conduct administration at the regional level and in Kyiv and Sevastopol.

The local government system in Ukraine consists of:

- Territorial community
- A village, settlement and city council
- A village, settlement and city mayor
- Executive bodies of a village, settlement or city council
- Rayon and oblast councils that represent the common interests of territorial communities of villages, settlements and cities
- Bodies of popular self-organization
- District councils within a city and their executive committees (optional).

Towards European Standards

Ukraine's formal agreement with the EU, the *PCA*, is supported and enhanced by Ukraine's participation in the Council of Europe's Congress of Local and Regional Authorities. Together, they give evidence to Ukraine's authentic interest in European alignment. In order to ensure conformity of Ukrainian legislation with EU standards, the Law on Local Government was developed within the framework of the *European Charter of Local Government*. Ukraine's ratification of the *ECLG* (November 1996) represents an important step in the development of a local government system that establishes and respects the standards, foundations and conditions under which local responsibilities are exercised in alignment with EU principles. Council of Europe Member States that have ratified this document believe that the right of citizens to take part in public administration is a common democratic principle.

This *Charter*, the first European platform for local government, outlines:

- The concept of local government and its legal foundations;
- The administrative structures and local government resources; and

⁶ In January 1999 the Verkhovna Rada adopted the Law on the "Capital of Ukraine" – the city of Kyiv.

- The principles governing administrative supervision of the activities and the financial resources of local authorities.

This document consolidates the international experience on local government and delineates principles aimed at the protection and maintenance of local democracy, decentralization and local authority independence. This is clearly an important international commitment that Ukraine has made and must be supported by strategic technical assistance that ensures its implementation.

Challenges for Local Government Reform

Despite the fact that the local government model in Ukraine has been conceptually based on EU principles and is already determined by legislation, the majority of the proclaimed principles are still at the level of declarations. In fact, evidence reveals that the majority of projects targeting local government reform did not begin in Ukraine until 1996, unlike Poland, in which the first initiatives began in the early 1990s. Reform in this sector was one of the first priorities of Poland's newly elected government.⁷ In Ukraine, the slow start has impeded the development of reform in this sector.

Furthermore, development of democratic local government in Ukraine has been hampered during the transformation period because of a lack of strategic institutional reform. This neglect leaves the totalitarian government system still present and functioning. The government does not have democratic procedures or skills to deal with its citizens, nor do the citizens possess the know-how to monitor their government. For instance, it has taken long time for the fundamental procedures of government financial transparency to evolve. This initiative mainly originated with the central government and therefore transparency has significantly increased at the level of the central government. However, local governments are still less transparent and accountable resulting in inefficiency of local public services provision.

Symptoms of local government reform problems

- Poor quality of service delivery at the local level;
- Lack of public control over local authorities decision-making and budget execution;
- Government and citizens confused about the role, responsibilities, functions of authorities;

⁷ Pawel Swianiewicz, "Sympathetic Disengagement: Public Perception of Local Governments in Poland," in *Public Perception of Local Governments*, ed. Pawel Swianiewicz, LGI Book, OSI, 2001, p.173.

- Lack of knowledge and information about the roles of local government;
- Lack of transparency and accountability;
- Lack of citizen participation and influence on the decision-making process;
- Lack of policy planning and public policy skills in the decision-making process;
- Democracy implemented at the municipal level clashes with and does not integrate with the presence of central authority in the rayon and oblast; and
- Low level of economic initiative leading to depressed living standards and high unemployment.

Causes for these failures

Local self-government is guaranteed in the *Constitution of Ukraine* but at the same time the *Constitution* authorizes the central government to execute local government decisions at the regional level (oblast, rayons). This problem is critical and must be clearly understood. In cities and towns, newly elected bodies and their executive governments have been created and this decentralization has been supported by targeted technical assistance. In these instances the democratic system begins to function in local government bodies. However, there is an enormous problem with the role of the central government presence at the local level under the new democratic condition of the presence of locally elected bodies. This problem has received only partial strategic assistance.

On the other hand, in Poland the wojewodships have been newly recreated and possess a growing understanding of their new functions. Supported by technical assistance from the EU, this level of government received manuals, training and twinning resources that enabled their ability to implement new procedures and activities. This work goes forward in an environment of long-term planning and project design that ensures these new skills take root. In Ukraine, there is a lack of understanding as to how to fulfill this new role; there are insufficient projects to develop this new capacity of the central government's role in the newly democratic conditions of local self-government.

How to make this legitimate democratic interaction between the levels of government function? In Poland, this dilemma is being resolved by targeted, strategic EU assistance; in Ukraine, these needed reforms are neglected or incomplete. For instance, Poland has new terms of reference for its government officials, at all levels,

whereas in Ukraine the functions are duplicated and mixed. At present the oblast administration is authorized with the executive function for the oblast's elected council. Such partial reforms of the legislative and administrative systems do not allow a clear division of functions between local government bodies and contributes to the chaos and dysfunction of the system. The oblast administration must exist and is legitimate in the capacities of monitoring, controlling and implementing the law, the central government's policies and the central government's budget resources. But, central government representatives must have assistance with implementing their newly democratic role in these spheres. The boundaries need to be named and identified, training and twinning must be implemented and networks created to enable the capacity of all the government officials to get on with their new jobs.

Therefore, technical assistance in Ukraine must target the gaps and deficiencies identified above in order to build the capacity of local government bodies.

5. RESEARCH METHODOLOGY

Database

The first step in the research process was the creation of the database template (Table 2). This work was carried out collaboratively with our Polish partners; together we refined the template into a two-part version. The first part addresses information relevant to the donor's country strategy and the second concerns individual projects. The information sought, when available, gives a comprehensive perspective of donor activity in Ukraine and Poland, in the framework of local government initiatives. Further, once compiled, the data provides a basis upon which to apply the four principles outlined in the CDF paradigm.

Table 2. Database

1	Donor	14	Oblast
2	General Information (Type / Legal Status of Institution, Authorities, Decision Making Process, contacts)	15	Executing Agency
3	Mission, Strategic Objectives for Activities	16	Local Partner
4	Funds	17	Goal
5	Plans for the Future:	18	Objectives
6	Forms of Activities	19	Type of Activity
7	Main Programs / Projects	20	Brief Description
8	Program Title:	21	Budget
9	Project Name:	22	Outputs
10	Sector	23	Outcomes
11	Starting Date:	24	PCA Criteria Implementation (Ukraine)
12	Expiration Date:	25	Reports / Publications
13	City	26	Website:
		27	Additional Information

Methodology

In preparation for this report research was conducted (during October – December 2001) using a qualitative methodology, based upon donor contact only. Individual project directors typically were not consulted due to limited time constraints or, the projects were completed and further information was unavailable.

The qualitative methodology used was:

1. In-depth interviews;
2. Content analysis;
3. Comparative analysis.

The first stage of the information gathering process was to send out a letter to the target donors, asking them to provide information about relevant projects, reports upon project realization and project evaluations (Table 3).

Table 3. Donors

Bilateral Programs	International Programs:
Canadian International Development Agency (CIDA)	Organization for Security and Co-operation in Europe (OSCE)
Department for International Development (DFID)	United Nations Development Program (UNDP)
Friedrich Ebert Stiftung (Germany)	World Bank
Konrad Adenauer Stiftung (Germany)	
MATRA Program (NL)	
Renaissance Foundation (IRF)	
Swedish International Development Agency (SIDA)	
TACIS (European Union)	
United States Assistance in Development (USAID)	

The letter delineated the overall purpose of the project and its expected outcomes. The response rate was 35%; thus the necessity to re-contact the donors arose. The final response rate increased to 67%. Further, only 2 of the 12 donors (17%) agreed to have a personal meeting with the project researcher in order to discuss the above-mentioned issues more precisely. In all, a variety of methods were used to obtain the needed information with a variety of successes (see Annex 1 - Table 4).

5.1.1 In-depth interview

This type of data collection differs from the in-person survey, in which a fixed set of questions is asked verbally. The in-depth interview, while focused, is discursive and allows the researcher and respondent to explore an issue, leaving room for the discussion to occur in a flexible setting. Moreover, an in-depth interview fulfils the following roles:

- explores the boundaries of a problem;

- obtains evidence for a problem or issue;
- directs the research process itself.

The ICPS researcher chose this method in order better to understand the donor's perceptions, opinions, facts and reactions to the initial findings and potential recommendations this research would posit. Unfortunately, the response success for the interview was low. The interviewees were asked:

- Could they provide the list of completed projects for the period of 1991-2001?
- Were evaluations conducted?
- Were final reports were publicly available?
- What procedures and methodology was used for over-all strategy creation?
- Were criteria established to measure project assessment?
- Did co-ordination with other donors occur?
- Did co-ordination with the government and/or government documents occur?

The conversation was guided by questions focused on donor strategy in Ukraine. Therefore, the interview provided a forum to discuss the procedures according to which the donor's strategy is elaborated, what effectiveness criteria were included and the accountability and consistency of the general mission of donor's activity to both the goals of separate projects and Ukraine's *PCA*.

5.1.2 Content analysis

The hypothesis of this research is that successful project realization requires coordination between both country and donor goals and objectives and individual project outputs and outcomes. We were interested in what the Ukrainian government needs to know in order to proactively reform the technical assistance strategy in Ukraine and our touchstone for this was local government reform. However, due to the difficulty in acquiring current and complete information, the research was hampered by lack of information, including in such important areas as:

- projects goals, objectives;
- project outputs and outcomes.

Nevertheless, the data that was obtained certainly indicates trends in donor strategy and project implementation that is important for enabling a government document to coordinate and regulate assistance in Ukraine. The main sources of donor information

were found in materials directly provided by donors; materials provided to the public by donors; government officials; web-sites.

5.1.3 Comparative analysis

The comparative analysis utilised functions to point out places of co-ordination and differences between assistance in Poland and Ukraine. It crosses the borders between the two states in order to search out information that will enable the development process, in the local self-government sphere. The conclusions and recommendations are therefore based upon this shared information and directed towards providing recommendations that stem from a strategic, dialogic plan for the future.

6. RESEARCH FINDINGS FROM DATABASE

It is important to acknowledge the difficulty faced in gathering information from the donors. This problem was exacerbated by the fact that some did not want to release any information at all and others did not have good access to information about their activities. Finally, some older data was no longer available. Therefore, we recognize not all the research is up to date. If we could have received current information, the data and analysis might be different. However, based on what we have the conclusions are accurate and the fact that we could not get comprehensive information in fact supports the conclusions and leads to the recommendations.

Donor Mission and Strategic Objectives

6.1.1 Ukraine

- to strengthen Ukraine's capacity for democratic governance and market economy;
- to assist in this transformation from a closed to an open society.

6.1.2 Poland

- to prepare Poland for EU membership through the implementation of the Copenhagen Criteria and the adoption of the *Acquis*; and
- to implement a pre-accession focus based on the priorities outlined in Poland's *Accession Partnership Agreement*.

Forms of Activities

Information from donor strategies does not typically specify forms of activities. Some exceptions are, in Ukraine: CIDA, MATRA and UNDP. The following is based on information from individual projects, implemented in the framework of the strategy and the sector of local government reform.

6.1.3 Ukraine

- Policy advice;
- Seminars, conferences, roundtables; and
- Short-term study tours and training.

6.1.4 Poland

- Creation of policy documents, manuals and regulations;

- System of training for adoption of the new EU regulations;
- Launching a nation-wide system of training in order to adopt new standards; and
- Twinning (Box 2)

Box 2: Twinning civil servants is much more effective than consulting services

During past years, Polish institutions were granted aid in the framework of the PHARE programme mainly in the form of recommendations. In general, such contracts were signed with private advisory agencies in EU countries, and nobody even evaluated whether this type of assistance was effective. Moreover, now it is very difficult to find any information about the money paid to private advisory companies under specific PHARE projects. Poland's public officials often complained that although foreign advisors assisted in producing high-quality programs, their ignorance of Polish peculiarities hindered the effective realisation of the determined tasks.

When the European Union saw that the services of private advisors were expensive, it made the following decision: public officials in the candidate countries should co-operate with their colleagues from EU states. Thus, the twinning approach was developed, requiring officials from the member states to intensively consult with public administrations in the countries of Central and Eastern Europe.

What is the practical difference between teaching and twinning? Under the "teaching" approach, a technical assistance project would arrange for, say, ten officials to go once to visit a donor country agency. Under the "twinning" approach, assistance would be provided to one key official to have ten visits with his/her counterpart over a period of time, building a working relationship. The main feature of twinning projects is that they set out to deliver specific and guaranteed results, which have been agreed between the parties in advance, for the implementation of priority areas of the *acquis*.

Twinning is focused on four priority sectors of public policy—agriculture, environment, finance, and justice and home affairs; Poland implements projects in line with all four priorities. In the framework of PHARE'98, Poland's administration established relations with public officials from eight countries. For example, the Ministry of Agriculture closely co-operates with its counterparts in Denmark, Germany, Ireland, France, and the Netherlands.

Twinning has many advantages: this approach appears to be as effective, as well as cheaper, compared to the services of highly paid private advisors. Having great practical experience, EU public officials are able to render effective assistance to their counterparts from candidate countries in adapting to the *acquis*. Importantly, EU experts develop their proposals according to needs, which have been clearly formulated by officials from the candidate countries.

Source: ICPS Case Study, Reducing corruption in Ukraine. June, 2001, p.20.

Reports / Publications

Ukraine	Poland
Only 12 projects of 62 (19%) specified the creation of reports and publications as part of project realization.	All projects specified the creation of reports and publications as part of project realisation

General Funds, by donor

6.1.5 Ukraine

58% (7 of 12) donors stated funds (or part of their budget) spent in the country over the period of 1991-2001 unless otherwise indicated, to support their over-all development objectives:

Disclosed	Not disclosed
DFID: BPS 16 mln	USAID
World Bank: USD 2.892 mln (1992-2000)	MATRA
OSCE: EUR 210.000 (2001)	UNDP
Tacis: ECU 538 mln (1996-1999)	Friedrich Ebert Stiftung
CIDA: USD 228 mln	Konrad Adenauer Stiftung
IRF: USD 31.712.775 (1997-1999)	
SIDA: SEK 60 mln	

6.1.6 Poland

80% (4 of 5) donors stated funds spent in the country over the period covered, to support their over-all development objectives:

Disclosed	Not disclosed
British Know-How Fund: 100,000,000 BPS	UNDP Umbrella Project
PHARE: 1990 – 1996: 153748 MECU 1995 – 1999: 1015 MECU	CIDA
USAID: 960,543,769 USD	Friedrich Ebert Stiftung
World Bank: 500,130,200 USD	

Plans for the Future, by donor

Ukraine	Poland
42% (5 of 12) donors do not state future plans	All of the donors released information about their future plans for assistance in Poland's accession to the EU.

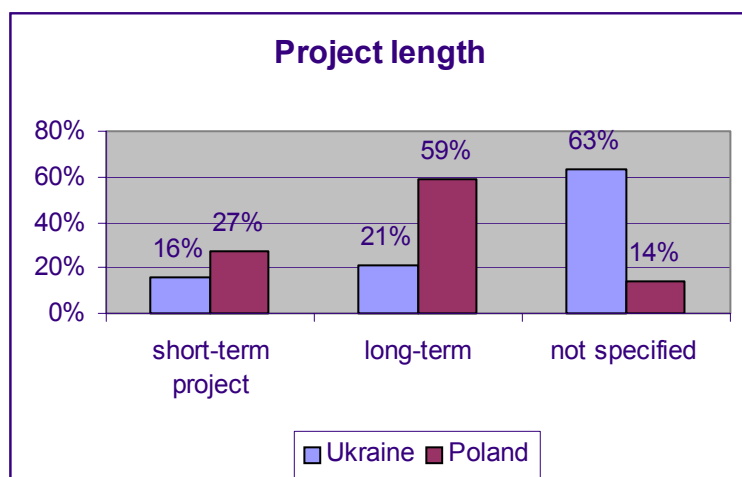
Main Programs/Projects, by donor

Ukraine	Poland
50% (6 of 12) donors released this information	All of the donors released information about their main programs/projects

Number of Projects in Local Government Reform

Donor	Ukraine	Poland
Bilateral		
British Know-How Fund	0	14
CIDA	4	9
DFID	2	0
Friedrich Ebert Stiftung	0	9
Konrad Adenauer Stiftung	0	0
MATRA	9	0
SIDA	2	0
USAID	19	23
European Union	0 (Tacis)	16 (Phare)
International		
IRF	25	0
OSCE	0	0
UNDP	0	3 (Umbrella)
WB	1	4
TOTAL	62	78

Long/short term Projects



6.1.7 Ukraine

Donor	Short-term projects (1 year or less)	Long-term projects (1 year or more)	Not specified
CIDA	0	4	0
DFID	0	2	0
FES	0	0	0
IRF	0	0	25
KAS	0	0	0
MATRA	7	2	0
SIDA	0	1	0
Tacis	0	0	0
USAID	3	3	14
OSCE	0	0	0
UNDP	0	0	0
WB	0	1	0
TOTAL	10	13	39

6.1.8 Poland

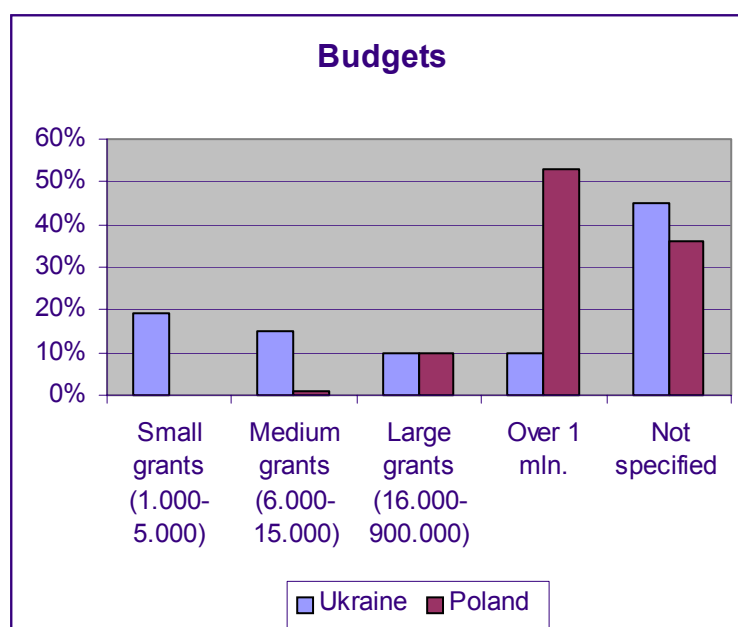
Donor	Short-term projects (1 year or less)	Long-term projects (1 year or more)	Not specified
British Know-How Fund	0	14	0
CIDA	2	1	6
FES	6	0	3
PHARE	4	11	1
USAID (PAUCI)	3+5=8	15	0
UNDP Umbrella Program	0	2	1
WB	1	3	0
TOTAL	21	46	11

Geographical Coverage by City / Oblast / Wojewodship (Poland only)

The data reveals that 30% of Ukrainian oblasts, in comparison with 62% of Polish Wojewodships are covered by local government projects. Further, 34% Ukrainian versus 32% Polish projects do not specify their location (see Annex 1 - Table 5).

Project Budgets

For full details see Annex 1 – Table 6.



Goals and Objectives

6.1.9 Ukraine

Donor	Both specified	Specified Goal Only	Specified Objectives Only	Not specified
CIDA	3	0	1	0
DFID	2	0	0	0
FES	0	0	0	0
IRF	0	25	0	0
KAS	0	0	0	0
MATRA	0	9	0	0
SIDA	0	0	0	2
Tacis	0	0	0	0
USAID	6	11	0	2
OSCE	0	0	0	0
UNDP	0	0	0	0
WB	1	0	0	0
TOTAL	12	45	1	4

6.1.10 Poland

Donor	Specified Objectives	Not specified
British	14	0

Know-How Fund		
CIDA	9	0
FES	0	9
PHARE	16	0
USAID (PAUCI)	4 +5=9	14
UNDP Umbrella Program	3	0
WB	4	0
TOTAL	55	23

Outputs and Outcomes

6.1.11 Ukraine

Outputs

Donor	Specified	No specified
CIDA	1	3
DFID	2	0
FES	0	0
IRF	12	13
KAS	0	0
MATRA	3	6
SIDA	0	2
Tacis	0	0
USAID	17	1
OSCE	0	0
UNDP	0	0
WB	1	0
TOTAL	36	25

Outcomes

Donor	Specified	No specified
CIDA	2	2
DFID	1	1
FES	0	0
IRF	0	25
KAS	0	0
MATRA	1	8
SIDA	0	2
Tacis	0	0
USAID	7	12
OSCE	0	0
UNDP	0	0
WB	1	0
TOTAL	11	50

6.1.12 Poland

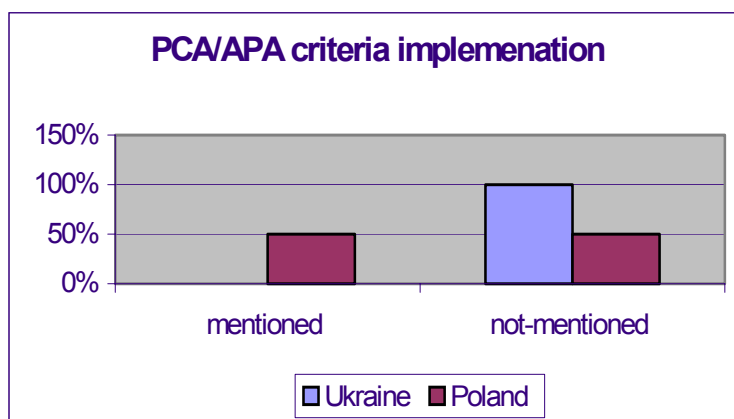
Outputs

Donor	Specified	No specified
British Know-How Fund	13	1
CIDA	1	8
FES	0	9
PHARE	8	8
USAID (PAUCI)	3	15 +5 =20
UNDP	3	0

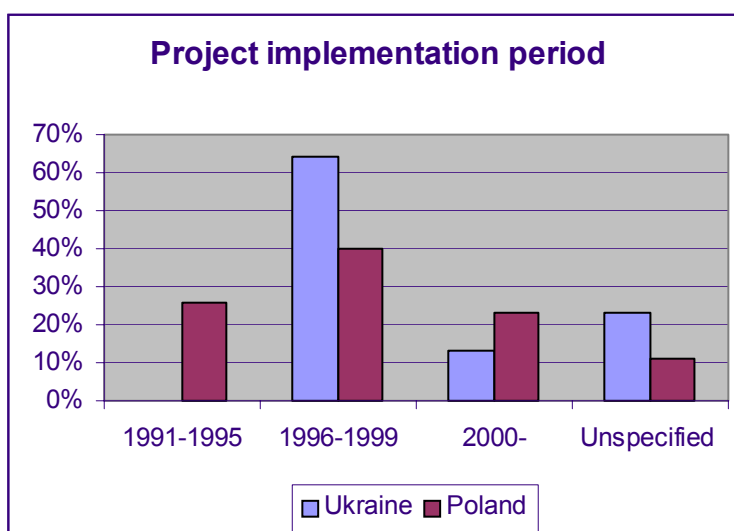
Umbrella Program		
WB	2	2
TOTAL	30	48

Criteria Implementation: PCA / APA

For full information see Annex 1 – Table 7.



Project implementation periods⁸



Years	Ukraine	Poland
1991 – 1995	Unknown	20 projects
1996 – 1999	40 projects	31 projects
2000 – 2003	8 projects	18 projects
Not specified	14 of the 62 projects do not specify starting/expiration dates	9 of the 78 do not specify starting/expiration dates

⁸ By starting date

Sectors⁹

Sphere	Ukraine	Poland	TOTAL
Public administration	26	30	56
Democracy / self-government	7	29	36
Economic / financial	6	21	27
Social	3	15	18
Legal	11	4	15
Infrastructure	4	8	12
Budget	10	0	10
Public services	4	6	10
Environment	0	7	7
EU accession	0	4	4
Recreation	2	2	4
Cross-border	0	2	2
Construction	0	2	2
Media / telecom	0	2	2
Agriculture	0	1	1
Energy	0	1	1

⁹ Numbers do not total to number of projects because projects are often implemented in more than one sector.

7. ANALYSIS

It is important to acknowledge the difficulty faced in gathering information from the donors. This problem was exacerbated by the fact that some did not want to release any information at all and others did not have good access to information on their activities. Further, some older data was no longer available. Therefore, we recognise not all the research is up to date. If we had received current information, the data and analysis might be different; however, based on what we have the conclusions are accurate and the fact that we could not get comprehensive information in fact supports the conclusions and leads to the recommendations.

Analysis through *CDF* criteria

7.1.1 Long-term, Holistic Vision

Based upon the findings generated in the database research, it becomes clear that in Ukraine, donors do not directly address their strategies or projects to the *PCA* document realization. Concomitantly, because the Government of Ukraine does not generate an over-all country strategy to guide or regulate donor activity, there is no formal requirement that the donors attend to Ukraine's need for implementing the *PCA* in the agreed upon time frame, set in collaboration with the EU (2004). Further, Ukraine's lack of legislation on TA and the predominance of bilateral agreements increased the confusion in the country's development environment. All of this makes it difficult to design projects that are interconnected and develop the kind of cumulative mass needed to produce real transformation in local government reform.

These factors obscure a long-term vision of TA that targets directly stated needs. This collaborates with the respondent rate on "Future Plans;" all of the Polish donors indicate a strategic vision for their activities. Their future is clear: EU membership. For instance, in Poland's TA framework for local government reform, it is understood that in the future the regions will be key recipients and implementors of EU structural programs and funds. Therefore, these regions have introduced, for instance, European nomenclature and each of the 16 regions have already obtained NUTS II status, essential for structural support.¹⁰ Comparatively, in Ukraine, less than 50% of the donors mention

¹⁰ Poland's PPCI draft report, p 5.

future plans in the documents made available for this research. Similarly, 4 of the 5 Polish donors released information concerning their general funding for the country; in Ukraine, only 60% released this information. Finally, in Poland, the donors consistently (100%) provide information about their current main programs and projects, providing a basis and direction for future work. In Ukraine, only 50% of this information is available. This reduces the possibility of future project design taking into account past and current work and using this information to construct projects that move local government reforms ahead in a strategic way.

Nevertheless, Ukraine is party to such international agreements as the *European Charter of Local Self-Government*. To meet these international criteria, the need for reform, as a necessary component of democracy building in Ukraine, is critical. In building towards this end, one touchstone for coherence is project duration. In Ukraine, 38 of 62 projects in this sector do not release duration information. Of the remaining 24, 10 are one-year projects and 13 are longer than one-year projects. On the other hand, Poland's example indicates a long-term commitment, *beginning in the early 1990s unlike Ukraine*, and has created stability, sustainability and accountability.

Commitment to this vision of local governance is matched by funding priorities: in Ukraine, donors do not release information about 28 project budgets; 21 are for less than 15,000 USD and 13 initiatives could be classified as large projects. In Poland, both the consistency of funding and the overall country coverage of the projects disclose commitment to realising reform in this sector. Every Polish region had or has projects, which help them to develop their infrastructure and institutions. In Ukraine, only 7 oblasts of 27 have had local governance initiatives. In fact, most of the projects are located in Western or Central Ukraine; Eastern Ukraine is under-represented. The data for these variables of project design, length and the funding capacities available indicate an impediment to a long-term, holistic vision in local government reform in Ukraine.

7.1.2 Country Ownership

This principle of the *CDF* includes not simply government consultations, but also civil society and the private sector dialogue in project design and implementation. In this best of worlds, all the stakeholders are consulted and have their say in setting out the development priorities. Once again, the general lack of coordination between the government and these relevant parties, existing at the level of establishing of a national

strategy and extending downward through to individual projects, is also evident in local government initiatives. Although some projects target reforms for civil society and the private sector, public consultation is not the norm and therefore not typically included in any step of the process. The results of this lack of dialogue are evident in, for instance, the legislative and systemic confusion that impedes reforms that are made in local government. One example: a new Budget Code that cannot be implemented because the other necessary parts of a budget reform environment have not been undertaken.

On the other hand, country ownership is a necessary requirement of Poland's strategy for EU membership. The *APA* sets out what is needed in local government reform and these needs are benchmarked with projected dates of fulfilment (ultimately, 2004). In this context, local government projects cover 50% (8 of 16) more spheres of activity than do Ukrainian projects and therefore involve 50% more stakeholders in civil society and the private sector. As well, during 1994 – 1997, the Polish need for know-how, solutions and the mechanisms necessary to a properly functioning government was identified and acted upon. TA targeted providing, "Polish civil servants and businessmen with knowledge and experience related to solutions applied in particular sectors (agriculture, banking, etc), as well as general knowledge, mainly in the area of planning, management, monitoring and evaluation."¹¹

Following this period of activity, Poland began shaping its TA environment on the priorities of EU membership, through establishing structures and mechanisms to regulate this development work. In 1998, foundational planning documents were developed, such as the Draft of the National Development Plan and the National Accession Strategy. These reports provide a "map" that outlines Polish transformation; the guideposts are provided by the *APA* and the *National Program for the Adoption of the Acquis*, in which the main goals are stated precisely.¹² Country ownership of local government reform, supported by projects covering a wide range of sectors, many of which are long-term initiatives begun in the early 1990s and extending into 2001, is producing sustainable democratic reform in Poland's local government bodies, which is consistently conforming to the EU's clearly stated standards.

¹¹ Polish PPCI draft report, p 6.

¹² IBID, p 7.

7.1.3 Partnership

Of the 62 projects in our Ukrainian survey, not one mentioned *PCA* criteria implementation. In Poland, 50% of the projects directly mention co-ordination in the framework of the *APA*. This has created an environment of coherence for government reform in Poland, as all initiatives seek to fulfil the same mandate—EU membership. Working together with the EU in partnership to achieve these concretely stated aims; the consistency of government reform at each level enables all levels. Because everyone is moving in the same direction, changes in the system are able to be consistent and across the board. As a result, the machinery of Polish government moves together in consonance. Declared goals and expectations are concretely outlined, the actual assistance to the country makes it possible for these goals to be fulfilled and Poland steadily moves towards the achievement of accession.

For Ukraine, these results are indicative of the overall lack of alignment between the government and the international donor community, impeding the creation of a “partnership” environment and therefore limiting the depth and sustainability of local government reform. Further, because the design of the reforms is not systematic, changes made in one place clash with the former Soviet system and the entire process breaks down. This produces, among other things, enormous discouragement and lack of trust in the reform process.

However, an interview with the Head of the Bilateral Cooperation in the Sphere of Co-ordination of International Technical Assistance Department offered some hope, *although access to project registration lists and documents was not permitted*. Since 1999, there has been a notable change in partnership building as all donors now discuss their strategies with the Government of Ukraine. For instance, since 1999 USAID has been participating in concrete discussions with government committees in the different spheres relevant to their vision. In 2001, the Netherlands, the UK, Canada and the USA all reviewed their country strategies in light of the emerging political and economic situation in Ukraine. As a result, the environment is slowly evolving towards a more partnership-focused paradigm, which is in turn leading to better-developed strategies.

The government has implemented the following procedure, as a step towards taking the lead in managing aid co-ordination:

- Donor creates a draft strategy and submits it to the government;
- Government comments and makes suggestions;
- Discussions are held between the two stakeholders to finalize document *with the final decision lying with the donor*;
- Donor announces a tender for projects; **but**
- **at this point the communication breaks down as the government is not party to discussion on how the strategy will be implemented through the projects selected** (Box 3).

Box 3: Bilateral agreements limit Ukrainian participation in decision-making

Procedural norms within the framework of bilateral agreements are often faulty. The Ukrainian side is not able to govern the process of determining a list of specific projects; their content, and choosing project contractors and Ukrainian grantees.

For example, in December 1999 the National Agency of Ukraine for Development and European Integration (NAUDEI) and US Agency for International Development (USAID) signed an international agreement on forming and approving bilateral TA programs. This agreement specifies that only priority areas of aid should be co-ordinated with the Ukrainian side, while the American side unilaterally defines the list of specific projects, their contents, project contractors, and even Ukrainian grantees. USAID applies to the state project registration authority on its own or through the Ukrainian recipient already chosen by the American agency.

These new initiatives bode well for the realisation of this third principle of the *CDF* paradigm and therefore offer hope to improvements in TA implementation in Ukraine. They are creating a framework for bilateral aid in Ukraine. However, along with this newly dialogic situation, the government must begin to produce a national strategy that outlines, from Ukraine's perspective, the transformation needs the country is facing and includes consultations with all stakeholders. This document must set out requirements defined by the *PCA* and target benchmarks that will indicate criteria fulfilment. To that end, in May 2000 the Department created a draft resolution for the common co-ordination of all TA activities in Ukraine, to be approved by the Cabinet of Ministers in 2002. In accordance with this resolution, the beneficiary will define the criteria of project success. The ratification of this document will take a strong step towards laying the groundwork for local government project design that is coordinated and coherent, with more chance for achieving good results.

7.1.4 Development Results

Once again, it must be underscored that there was an impediment to information access in 80% of donors contacted in Ukraine. And, it was impossible to gain access to document information, such as the registration list for projects, with the government. Nevertheless, the donors involved in this research all provided information relating to their overall mission and strategic objectives for their development-work in Poland and Ukraine. These missions point towards enabling the transition in both countries towards democracy and market economy. The question is: what correlation exists between a project's stated goals and objectives and its outputs and outcomes?

Our research indicates that of the 62 projects, 19% (12) specify both goals. These projects have therefore designed a framework that will ensure concrete realisation of the donor's overall mission. Conversely, 7% (4 of the 62) do not state any goal or objective and 73% (45) provide only goals.

Concerning outputs and outcomes: 40% (25) projects do not specify outputs—the concrete result of project work—and 81% (50) do not specify outcomes. This indicates a serious problem in project design. Without clearly stated targets and delineated, measurable achievements, it is impossible to realise project success. This undercuts the potential achievements of local government technical assistance in Ukraine.

On the other hand, the link between these criteria is more consistently shown in the data from Poland. 55 projects specified objectives, some 71% of the total. Further, 38% identified outcomes, pointing to the direct results of project realisation. While these figures are not stellar, they reveal a stronger trend in project design within a framework and results that will achieve donor mission criteria for future EU membership. To assist Poland in this kind of accountability work, in 1998 the government began to collect information on support programs realised in Poland and financed by the EU.¹³

Aside from matters of project design, a main sphere of work for local governments lies in the area of providing efficient and effective public services for their constituencies. It is important to note that capacity building in this area represents a very small aspect of the overall spheres of work in Ukrainian projects. In Poland, institution and infrastructure

¹³ Poland PPCI draft report, p 1.

building are the key areas supported by the EU in local government reform. PHARE focuses on disseminating EU procedures in order to ensure Polish preparation for accession and using twinning as the mechanism to provide skills-based training in all levels of government reform. In Ukraine, the predominance of advice only, or one-off seminars and conferences undercuts the cumulative effect of project work. In projects that do line up their goals and objectives with activities, outputs and outcomes that work together in consonance, the effect is positive. But, the strength of these well designed projects is dissipated by the lack of a system; project isolation weakens the sustainability of the reforms.

Examples of good practice

Poland's reform achievements in local government have made a concrete difference in the country's transformation process (Box 4). Project design, in the framework of the APA, typically complies with the effectiveness criteria of the World Bank's CDF. A snapshot of several projects, provided below, discloses the areas of connection and accounts for the sustainable growth and development in this sector.

Box 4: Poland's Achievement

Local government reform is widely viewed as one of the most successful parts of the political, social and economic transformations in Poland since 1989. Local government reform may have not been the most talked-about type of political initiative, but it has occupied quite a high position in the political agendas of successive governments.

Source: Pawel Swianiewicz, as above, p. 173

7.1.5 Long-term, Holistic Vision

In Poland, the work of the British Know-How Fund provides a strong example of the benefits of implementing a long-term, holistic vision that is balanced and non-discrete. Their Local Government Assistance Programme (LGAP) *began in February 1992 and extended through to March 2001*. The LGAP was implemented in three phases. Phase 1's objective was to assist the newly created local governments, at the gmina level, by providing them with manuals and training programs in their key areas of management. In the 2nd phase, the original 5 centres of work was increased to 9 and now involved training of trainers programs, network institutions and mechanisms to facilitate the dissemination of the information. This Phase also included an upgrade of the manuals produced in Phase 1 and new demonstration projects to instruct others in how to use the manuals and the creation of a collection and analysis system on performance in the

delivery of local services. Phase III of the program directly focuses on legal support to the gminas for fulfilling their legal obligations in the EU, in such related areas as local service provision, environment protection, consumer protection, procurement, labour codes, etc. Outputs include booklets and training courses, standard forms for reports, creation of a database.

7.1.6 Country Ownership

The EU's PHARE program provides concrete examples of ways of including a broad sector of stakeholders in the implementation of development work. This six-year project (1993 – 1996), the PHARE Local Initiatives Program, aimed at creating local development plans for gminas *that were designed by the local community itself*. The sectoral coverage was broad and covered government, civil society and the private sector: local development, SMEs, services, tourist industry, education, culture and employment.

The outputs reveal a concrete impact in these areas:

- 8 credit funds for SMEs created;
- 3000 people trained;
- 1000 small enterprises received legal, financial, management and marketing consultation;
- 200 community representatives trained in special seminars and conferences;
- 147 people employed in 27 newly established firms.

A second project in this framework provides additional collaboration on the fulfilment of “country ownership” criteria, the Rural Areas Program for Infrastructure and Development (RAPID), realised in 1996 – 1999. The outputs of this project include not only the creation of 10 regional development strategies and co-financing of 163 infrastructure projects but also the skills transferred to Polish specialists in Warsaw and the regions. As a result, this project can be effectively implemented in other gminas, across sectors, which is important to Poland's future accession with the EU.

7.1.7 Partnership

UNDP's Umbrella Program provides an example of project design that establishes a strong partnership among the government, civil society, private sector, donors and other stakeholders and even crosses borders (Lithuania and Ukraine). This project (2001 –

2003) focuses upon the role of all stakeholders in the development process and how partnerships between NGOs and local government are being strengthened. The project will create a monitoring tool, “Agenda 21 Audit” and will be used to conduct 240 audits in more than a hundred local authorities, in the sector of public service delivery. This model will be tested and then implemented in Lithuania and Ukraine, in subsequent phases.

Another such initiative was undertaken by PAUCI, in the Direct Citizen Participation as Local Democracy Guarantee project. This project focused on fostering community involvement in local policymaking process and increasing local government transparency and openness. Using training sessions, study tours and publications, the project built awareness among key officials of local governments, NGO leaders and business officials in north-eastern Ukraine to help them in articulating their own plans and programs aiming to improve local government-community relations in their towns. The Polish trainers transferred their own newly acquired experience in facilitating this partnership-based, capacity building program.

7.1.8 Development Results

An excellent example of a project achieving concrete development results that are linked to the overall aims of a country’s vision is found in the USAID Local Government Partnership Program (LGPP), implemented in Poland in 1997 – 2001. LGPP’s vision was to facilitate a local government that is effective, responsive and accountable. LGPP therefore increased the capacity of gminas to deliver services and manage resources efficiently; improve indigenous mechanisms supporting local government and to increase participation of the local communities in local government decision-making through increased inputs of citizens, NGOs and business organizations.

This aim resulted in:

- Designing a gmina management model in 45 partner gminas and to disseminated and implement in other gminas
- Building and supporting Polish training centres, NGOs, etc in undertaking further activities in this subject
- Promoting strategic management rules influencing national policy on local government

- Concentration on 7 areas: strategic management; financial management; economic development; infrastructure finance and development; municipal service and delivery; housing management and development; land economy and management; public relations and citizen participation.

The results of this work included approved water sector strategies; business plans to restructure water services; privatisation of the administration of health centres. Further, a series of manuals were written to enable and disseminate project training, covering such topics as: Integrated Gmina Management; Capital Investment Plans; Infrastructure and Money; Restructuring Municipal Services; From Communication to Cooperation; Local Housing Strategies, etc.

8. CONCLUSION

There are concrete and important differences between the Polish and Ukrainian systems of technical assistance

This research sought to discover if there are variables that influence successful TA implementation and the achievement of development objectives that are more tangible than mentality and political will. The answer is yes; Poland's steady reform achievements in the sphere of local government are directly correlated to the system of TA that effects all aspects of donor activity, including project design. Further, the strategic framework complies with the criteria of the World Bank's *CDF*, another touchstone of success. Unfortunately, the technical assistance environment in Ukraine lacks both a national strategy and implementation of the *CDF*.

The difference between these two systems at work in Poland and Ukraine is obviously powerful and decisive regarding the quality and efficiency of the transformation process.

Polish TA projects concretely achieve the World Bank's *CDF* criteria

As the research has revealed, the projects of technical assistance in Poland fully correspond to the World Bank's criteria for effective technical assistance delivery:

- A long-term, holistic vision;
- Country ownership
- Partnership
- Achieving concrete development results that are linked to the overall aims of the country's state vision.

In Ukraine, on the contrary, there were no projects where we could follow the above-mentioned principles. Although some project achieved some of the criteria, no project achieved all of them.

It is crucial to have a framework for technical assistance

In Poland, the *APA* is implemented by projects designed to achieve benchmarks created by the EU and Poland, in dialogue. Therefore, the EU accession framework directs and systematises all technical assistance in the country. For instance, under

PHARE, TA is designed, “*not* to foster general cooperation but to deliver specific results agreed between the parties in advance for the implementation of priority areas of the *acquis*, as set out in the Accession Partnerships.”¹⁴ This document further delineates: “The integration process is not simply a question of approximating candidate countries’ legislation to that of the Community; it is also one of ensuring the effective and efficient implementation of [the *acquis*]. It includes the development of relevant structures, human resources and management skills. Institution building means designing management systems and training and equipping a wide range of civil servants, public officials, professionals and relevant private sector actors.”¹⁵ Analysis of the data generated by this project discloses this connection between donor objectives, project goals, activities, outputs and outcomes. As a result, these criteria are being realised and Poland’s democratic reforms in the sector of local government are steadily increasing and deemed as highly successful.

Obviously, the *PCA* is not playing the same role in Ukraine’s TA environment. Nor is the EU’s *Charter* on local government.

Local government

In Ukraine, major problems in local government reform impede the establishment of democracy. Our analysis reveals how the capacity for newly democratic functions of local government was created and immediately implemented in Poland. Further, the EU carefully oversees the creation and management of these new structures at all levels. Working in partnership, Poland and the EU developed a systematic process of local government reform that was one part of a total government package for Poland. These transformations work in harmony; the newly defined structures and procedures for the central government enables the democratic reforms at the local level. In Ukraine, the two governments are pitted against each other because of the central government representative’s sustained old role that no longer fits the reforms made in local government bodies. Instead of working like a smoothly functioning machine the gears are grinding and clashing, undercutting democratic transformation at all levels of government. For instance, because the central government continues the old role of executive decision-making at the local level the functions for the two governments remain unclear. This creates inefficiency, duplication and chaos.

¹⁴ Phare, EU Enlargement: A Historic Opportunity, p. 20.

¹⁵ Ibid, p. 20.

Although both countries have executed excellent initiatives in the area of local government reform, the fact that projects in Ukraine are partial, discrete and not coordinated in a systemic way undercuts the influence and long-term effectiveness of the project results. For example, when a city or group of cities participates in a project on public administration reform, if manuals are generated their impact is limited to the city[ies] where the project is implemented, limiting the dissemination-potential of the work. Further, the lack of an over-arching framework reduces the collaboration between donors and between the government and donors, leaving space for confusion, duplication and wasted intellectual, material and financial resources. These considerations give substance to the policy recommendations outlined below.

9. POLICY RECOMMENDATIONS

Policy recommendations for the Government of Ukraine:

- Develop the *PCA* as a technical system and strategic framework for reforms;
- Design and co-ordinate all local government projects under the framework of the *PCA* and the *European Charter on Local Self Government*;
- Create a technical calendar plan for *PCA* implementation with strictly defined benchmarks;
- Ensure the goals, objectives and activities of technical assistance support and target the *PCA*, in order to direct strategically TA activity;
- Provide public consultation, discussion and policy analysis of the proposed Law of Ukraine “On international technical assistance” to ensure its collaboration with the *PCA*;
- Provide public consultation, discussion and policy analysis of the proposed government resolution on the co-ordination of technical assistance in Ukraine, to ensure its collaboration with the *PCA*;
- Create regular meetings with all ministries to set out the priorities and spheres for technical assistance activities for local government reform, in the framework of realizing the *PCA* and the *European Charter on Local Self Government*;
- Create regular meetings with all donors’ representatives in order to co-ordinate mutual activity in Ukraine, in the framework of realizing the *PCA* and the *European Charter on Local Self Government*;
- Establish a monitoring organization to oversee the implementation of technical assistance in Ukraine, in the framework of realizing the *PCA* and the *European Charter on Local Self Government*; and
- Establish a system of coordinating donor information and results that is user-friendly and easily accessible.

Policy recommendations for the donor community in Ukraine:

- Projects need to target and facilitate the implementation of the *PCA* through setting priorities, principles and standards of the *European Charter of Local Self-government*;
- Project design needs to take place with the framework of *CDF* principles;

- Create a calendar plan for the implementation of the *PCA* and *Charter* criteria;
- Implement activities that concretely achieve the priorities of the *PCA* and that have the value of sustainability and repeatability;
- Create outputs such as manuals and documents and provide training sessions that can be transferred across the country to extend the impact of a project's results;
- Twinning with local self-government bodies in the EU member and candidate states must be incorporated into project activities in order to achieve European alignment and realize the criteria of the *PCA*;
- Include the Government of Ukraine in the decision-making process for project tenders, in the framework of realizing the *PCA* and the *European Charter on Local Self Government*;
- Donor collaboration with each other and the Government must include tracking sectoral and geographical coverage to ensure key priorities are implemented comprehensively across Ukraine; and
- Establish a system of coordinating donor information and results that is user-friendly and easily accessible.

10. ANNEXES

Annex 1

Table 4: Donor Contact (As of 20 December 2001)

Donor	Number of contacts				Web-site	Hardcopy	Strategy	Results
	E-mail	Phone	Fax	Interview				
Bilateral Programs								
CIDA	4	2	1	0	Only source of information	Not available	Available on web-site	No response to contacts Projects lists and information available on web-site
DFID	4	4	0	0	Available but not download-able	Project descriptions sent by e-mail	Strategy sent by regular mail	List of projects and the Country Strategy Paper supplied. Series of consultations with government representatives took place before the Strategy was formulated
Friedrich Ebert Stiftung	2	0	0	0	General description of fund activity was available	Not available	Not available	No response to contacts Only general descriptions on web-site
IRF	4	9	0	1	Projects not available	Project list provided during interview	Not available	Provided with Annual reports Provided with project list (1995 – 1999) Strategy created in co-operation with Program Council Members and experts during the strategic planning process. In total, over 100 persons take part in this process
Konrad Adenauer Stiftung	2	2	0	0	Projects not available	Not available	Available on web-site	Description of activities sent by e-mail
MATRA	2	0	0	0	Projects not available	Not available	Sent via e-mail	Reply by e-mail with project lists and strategy

SIDA	2	3	1	0	Projects not available	Project descriptions sent via e-mail SIDA statistics document sent by regular mail.	Available on web-site	Project list supplied by e-mail
Tacis	6	10	0	1	Projects not available on web-site, only the Strategy	1 project description provided by donor representative during interview 2 interim reports sent by e-mail.	Available on web-site	Project description and 2 interim reports were provided Procedures of strategy elaboration were explained during interview: every three years consultations with governmental officials take place and the Tacis strategy is usually created according to governmental needs Evaluation documents for internal use only
USAID	6	12	4	0	Additional source of information	Not available	Available on web-site	In the result of extensive e-mail and phone contacts promised information was sent by regular mail.
International programs								
OSCE	2	0	0	0	Projects available	Not available	Not available	No response to our contacts Web-site indicates there are no projects in this sphere
UNDP	2	3	0	0	Projects available but not updated regularly	Not available	Available on web-site	Projects in this sector for only 1999 – 2001 One project implemented but information not released
WB	4	2	0	0	Only source of information	Not available	Available on web-site	Projects on web-site

**Table 5. Geographical Coverage by City / Oblast / Wojewodship
(Poland only)**

Ukraine

Donor	Cities	Oblasts	City/Oblast	Ukraine	Not specified
CIDA	0	0	3 Ivanofrankivska (Ivanofrankivsk) Kharkivska (Chugujev, Kupinsk) Ternopilska (Ternopil) Kyivska (Kyiv) 2	0	1
DFID	2 Kyiv	0	0	0	0
FES	0	0	0	0	0
IRF	5 Lviv Kharkiv Kyiv (3)	5 Dnipropetrovsk a Poltavska (2) Odeska (2)	3 Ivanofrankivska (Ivanofrankivsk) Crimea (Simferopol) Poltavska (Komsomolsk)	0	
KAS	0	0	0	0	0
MATRA	3 Kyiv (2) Odesa	1 Zaporizska	0	0	8
SIDA	1 Irpen	0	0	0	1
Tacis	0	0	0	0	0
USAID	6 Ivano- Frankivsk, Kharkiv, Izum, Sumy, Poltava, Lubny, Luhansk, Severodonet sk, Donetsk, Horlivka, Lviv, Rivne, Chernivtsi, Kirovograd, Mariupol, Kryvyi Rih, Zhytomyr	1 Kharkivska, Poltavska, Sumska, Luhanska, Donetska		1	11
OSCE	0	0	0	0	0
UNDP	0	0	0	0	0
WB	0	0	1 Ivanofrankivska	0	0

			(Ivano-Frankivsk) Kharkivska (Chugujev, Kupinsk) Ternopilska (Ternopil)		
TOTAL	17	7	7	1	21

Poland

Donor	Cities (Gminas)	Powiats	Wojewodships	General information	Not specified
British Know- How Fund	11 gminas nationwide (9) all small towns (1) Ketrzyn (1)	1 powiats nationwide	0	1 Poland	1
CIDA	3 Starograd Gdansk (2) Katowice (1)	0	0	0	6
FES	7 Warsaw Gliwice Gdansk Hann- Munden Darmstadt Prudnik Magdeburg	0	0	2 Gminas and Powiats nationwide	0
PHARE	2 Katowice Bielsko-Biala Opole Bilgoraj Dzialdowo Kutno Lubawka Nidzica Starachowice Ustrzyki Wicko Zelow		8 Lodzkie (4) Walbrzyskie (3) Rzeszowskie (3) Sulawskie (3) Olsztynskie (3) Katowickie (3) Piotrkowskie (3) Sieradzkie (2) Krosnienskie (2) Nowosadeckie (2) f. Elblaskie (1) f. Koszalinskie (1) f. Lomzynskie (1) f. Zamojskie (1) Malopolskie (3) Podkarpackie (4) Swietokrzyskie (4) Pomorskie (1) Warminsko- Mazurskie (2) Lubuskie (1)	4 Boarder regions (2) Gminas and Powiats nationwide (2)	2

			Lubelskie (1) Slaskie (2) Kujarsko-Pomorskie (2) Zachodniopomorskie (1) Podlaskie (1) Nationwide Baltic Region (1)		
USAID (PAUCI)	3+4=7 45 gminas 6 cities Bielsko-Biala (1) Klodzko (1) Ketrzyn (1) Lubaczow (1)	0	1 Silezia	0	14+1=15
UNDP Umbrella Program	0	0	0	2 Local governments nationwide (1) Towns and gminas nationwide (1)	1
WB	0	1 Lomzynski(1) Myslenicki(1) Gryfinski (1)	1 Six wojewodships in the Odra River basin	2 Rural areas nationwide (1) Municipalities nationwide (1)	0
TOTAL	30	2	10	11	25

Table 6. Project Budgets

Ukraine

Donor	Small grants (1.000-5.000)	Medium grants (6.000-15.000)	Large grants (16.000-200.000)	Over 1 mln	Not specified
CIDA	0	0	1	3	0
DFID	0	0	0	1	1
FES	0	0	0	0	0
IRF	12	9	4	0	0
KAS	0	0	0	0	0
MATRA	0	0	0	0	9
SIDA	0	0	0	0	2
Tacis	0	0	0	0	0
USAID	0	0	1	2	16
OSCE	0	0	0	0	0
UNDP	0	0	0	0	0
WB	0	0	0	1	0
TOTAL	12	9	6	7	28

Poland

Donor	Small grants (1.000-5.000)	Medium grants (6.000-15.000)	Large grants (16.000-900.000)	Over 1 mln	Not specified
British Know-How Fund	0	0	0	14	0
CIDA	0	0	1	0	8
FES	0	0	0	0	9
PHARE	0	1	0	14	1
USAID (+PAUCI)	0	0	7	9	2 +5
UNDP Umbrella Program	0	0	0	0	3
WB	0	0	0	4	0
TOTAL	0	1	8	41	28

Table 7. Criteria Implementation: PCA / APA

Ukraine: (PCA)

Donor	Mentioned	Not mentioned
CIDA		√
DFID		√
FES		√
IRF		√
KAS		√
MATRA		√
SIDA		√
Tacis		√
USAID		√
OSCE		√
UNDP		√
WB		√

Poland: (APA)

Donor	Mentioned	Not mentioned
British Know-How Fund	14	0
CIDA	0	9
FES	2	7
PHARE	16	0
USAID (PAUCI)	3	15 +5=20
UNDP Umbrella Program	2	1
WB	2	2
TOTAL	39	39

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Annex 3. Donor Descriptions

*To be sent as a separate document

Annex 4. Data base information

*To be sent as a separate document